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**EX PARTE - ERRATA**

December 17, 1998

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, TW-A325  
Washington, D.C. 20554

RE: CC Docket Nos. 96-262, 94-1, and RM 9210 ✓

Dear Ms. Salas,

This notice is being provided to correct an error in one of the charts attached to the Sprint ex parte letter filed December 9, 1998 with regard to the above referenced matters. The chart entitled "Price Cap LECs Revenue per Minute For Traffic Sensitive Elements" did not reflect the correct transition to forward looking economic cost proposed by Sprint. For your convenience, the entire attachment with the corrected chart is being submitted with this notice. We regret any inconvenience this caused.

Sprint requests that this information be made a part of the record in this matter. Five copies of this letter, in accordance with Section 1.1206(a)(1), are provided for this purpose. If you have any questions, please feel free to call.

Sincerely,

  
Jay C. Keithley

Attachment

cc: Commissioner Furctgott-Roth  
Commissioner Ness  
Commissioner Tristani  
Kevin Martin  
Jim Casserly  
Linda Kinney  
Karen Gulick

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## Sprint's Access Reform Proposal

**Objective:** Reduce interstate access charges to Forward Looking Economic Costs (FLEC)

**Method:**

- ◆ Maintain 6.5% productivity factor.
- ◆ Apply full annual reduction only to rate elements above FLEC.
- ◆ Cap CCLC revenues at growth in access lines.
- ◆ Focus current price cap performance review proceeding on identifying FLEC levels and determining appropriate transition.

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## Benefits of Sprint's Access Reform Proposal

### ◆ IXC's

- ❖ Access rates will come down faster than under the existing 6.5% productivity plan.
- ❖ TS access rates will be reduced to FLEC faster than under proposals to increase the productivity factor.

### ◆ LEC's

- ❖ Provides reasonable transition to FLEC.
- ❖ Ensures that access rates are not driven below FLEC.

### ◆ Consumers

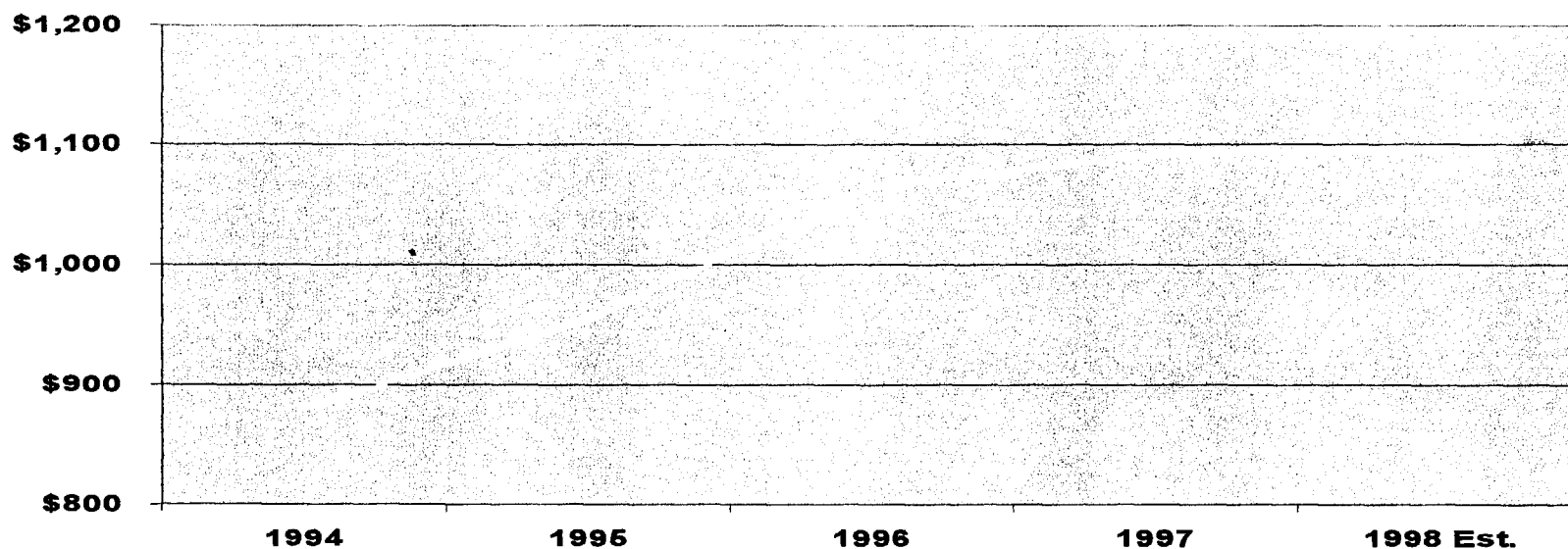
- ❖ Accelerated decreases in TS access rates will allow greater interstate toll rate reductions.



# Sprint

## Interstate Access REVENUES

( \$ in Millions )



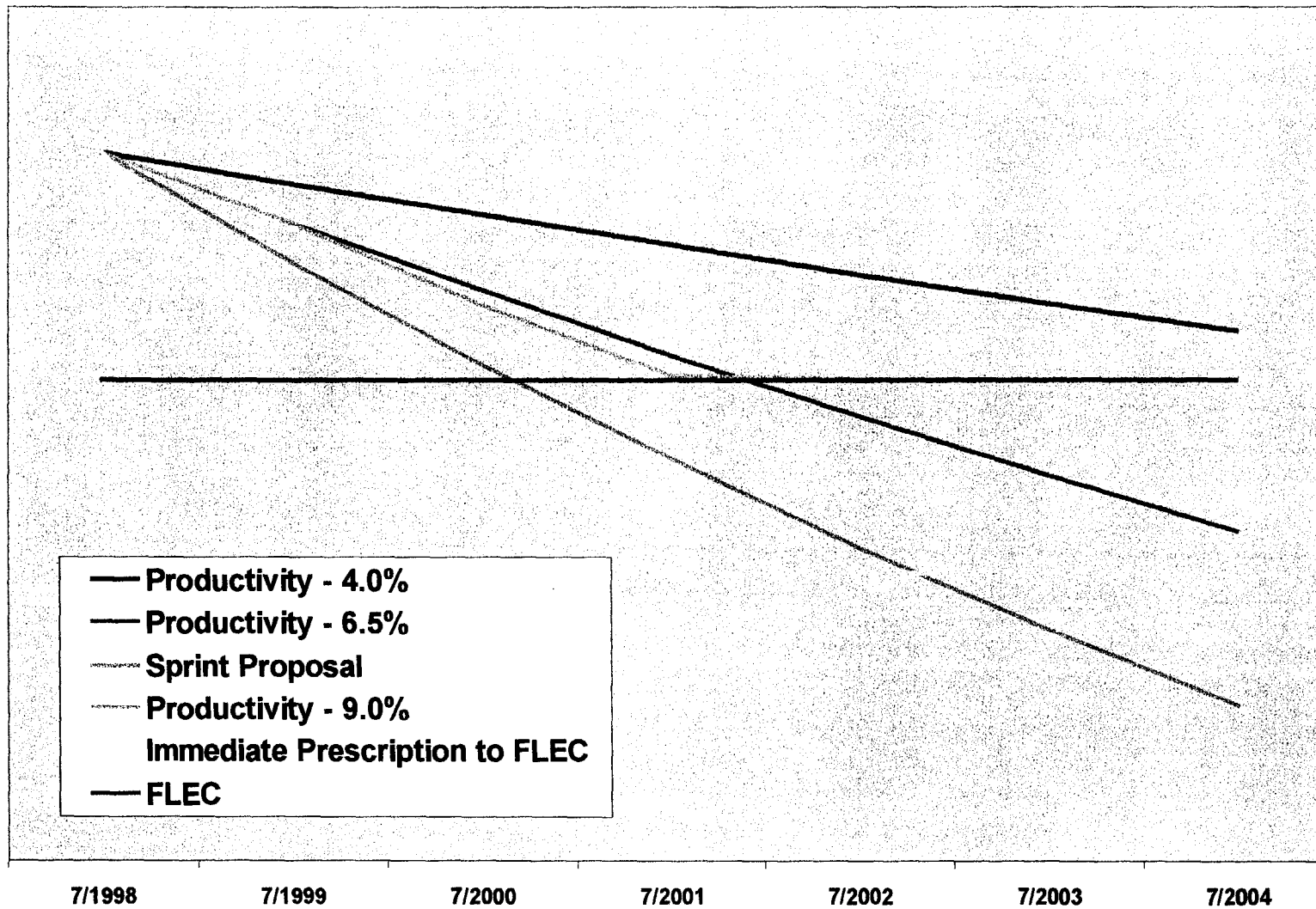
	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998 Est.</u>
<b>Revenues</b>	879.6	953.3	1,062.9	1,091.0	1,095.4
		8.39%	11.50%	2.65%	0.40%
<b>MOUs</b>	16,303	17,644	19,631	20,914	22,641
		8.22%	11.26%	6.54%	8.25%
<b>Access Lines</b>	71,332	75,338	78,930	84,006	88,837
		5.62%	4.77%	6.43%	5.75%

### Price Cap LECs Interstate Access Rates

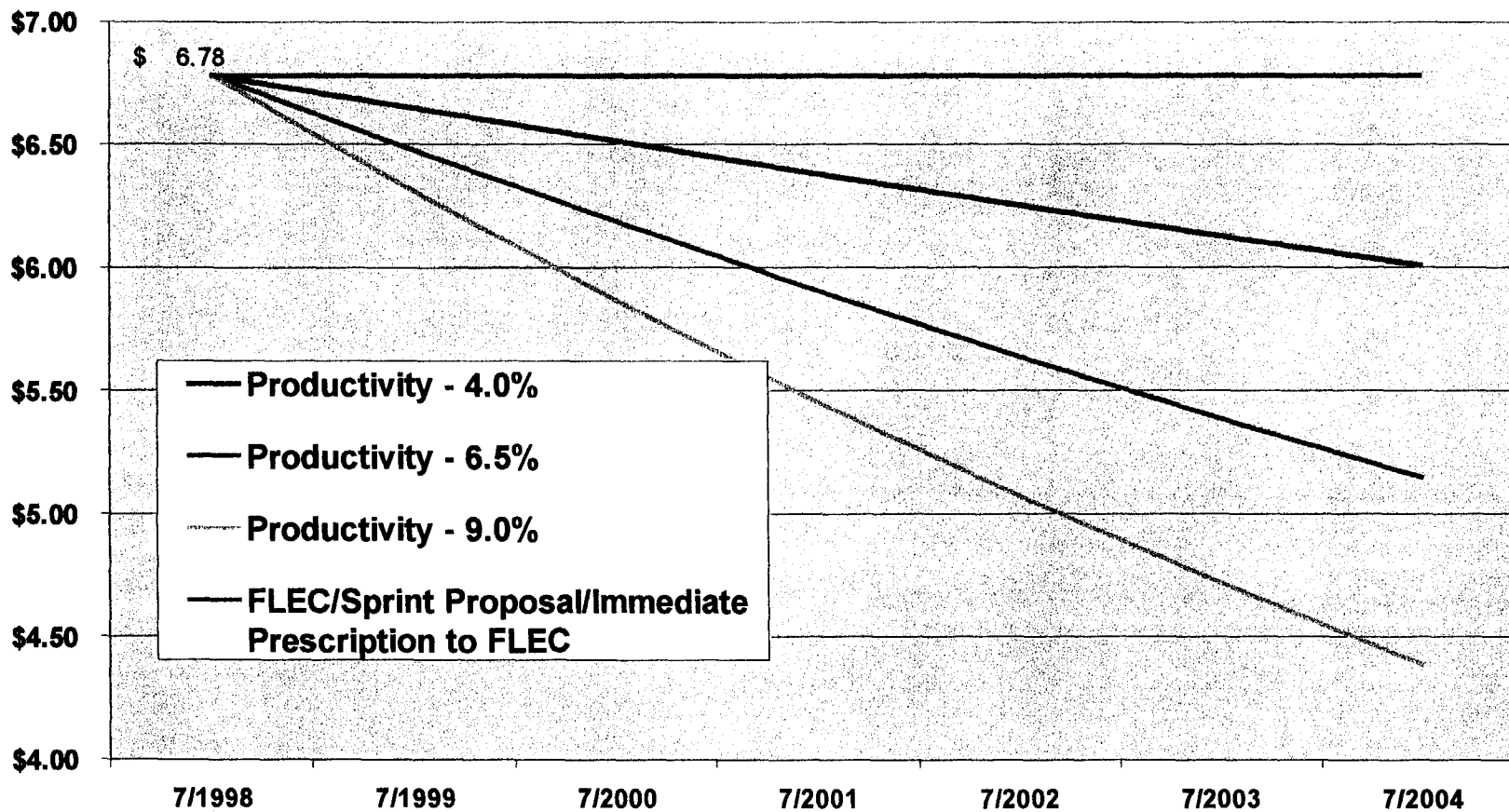
The graph illustrates the projected interstate access rates for price cap LECs from July 1998 to July 2004. The Y-axis represents the rate, and the X-axis represents time. The legend identifies five scenarios:

- Productivity - 4.0%
- Productivity - 6.5%
- Sprint Proposal
- Productivity - 9.0%
- Immediate Prescription to FLEC
- FLEC

The Sprint Proposal and Productivity - 9.0% lines start at the same point in 1998 and decrease linearly, with the Sprint Proposal ending higher than the Productivity - 9.0% line in 2004. The Productivity - 4.0% line starts lower and decreases linearly. The Productivity - 6.5% line starts lower and decreases linearly, crossing the Productivity - 4.0% line around 2001. The Immediate Prescription to FLEC line is horizontal, starting at the same level as the Productivity - 4.0% line in 1998.



**Price Caps LECs**  
**Average Revenue per Line**  
For Non-Traffic Sensitive (NTS) Elements\*

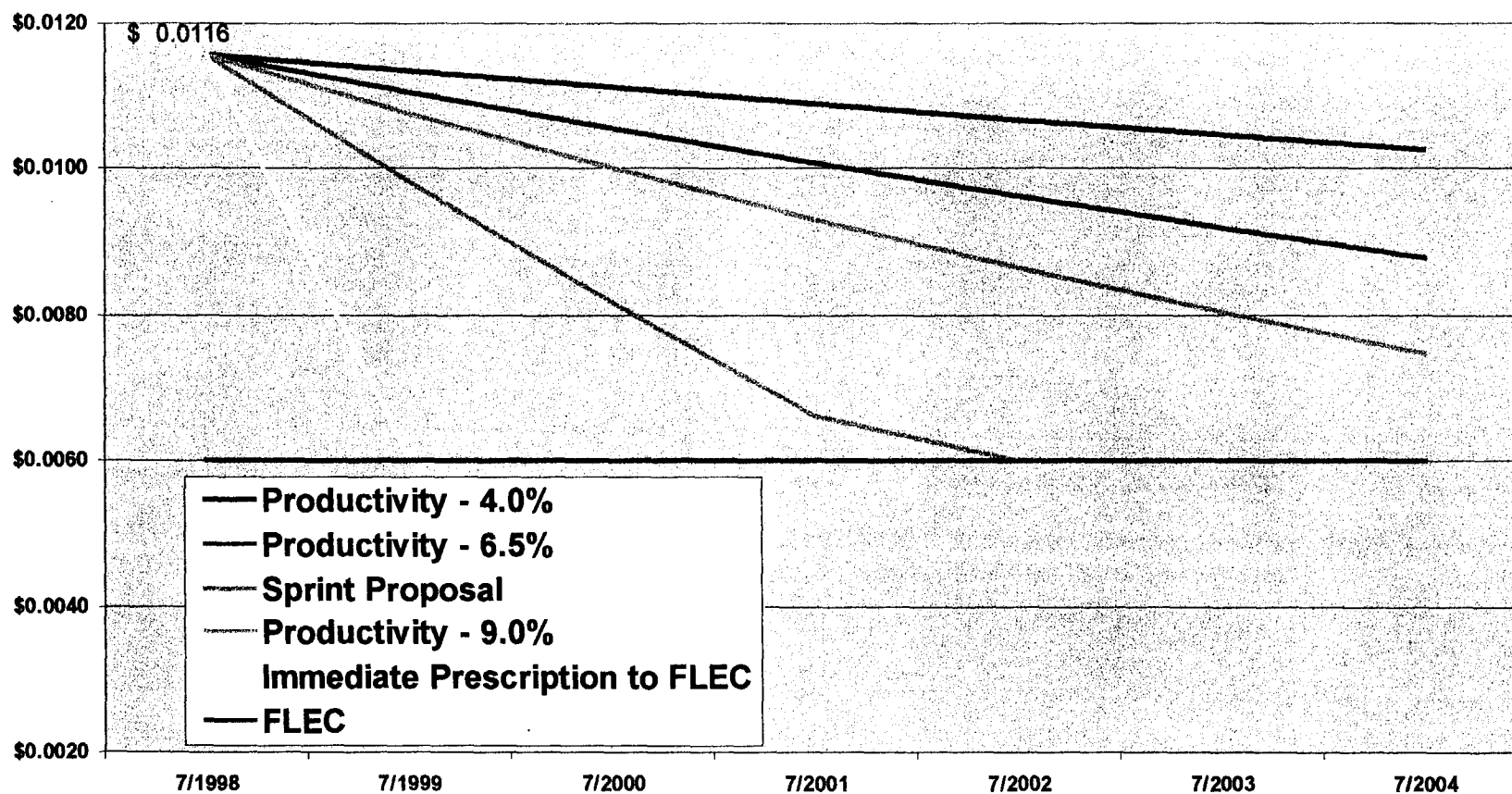


\* Loop, NTS Switching, and Marketing Expense

# Price Cap LECs

## Revenue per Minute

### For Traffic Sensitive Elements\*



\* Local Switching and Switched Transport